

Company Number: SC047926

# **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2009**

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**CLYDESDALE BANK INSURANCE BROKERS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2009**

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# **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

## **Officers and Professional Advisers**

<b>Directors</b>	Dean Cutbill Martin Smith Steve Reid
<b>Secretary</b>	Bernadette Lewis
<b>Registered Office</b>	30 St Vincent Place Glasgow G1 2HL
<b>Bankers</b>	Clydesdale Bank PLC
<b>Auditors</b>	Ernst & Young LLP Registered Auditor 10 George Street Edinburgh EH2 2DZ

## **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

### **Report of the Directors**

The Directors of Clydesdale Bank Insurance Brokers Limited ("the Company") submit their report and Financial Statements for the year ended 30 September 2009

#### **Activities**

The Company was involved in the sale of insurance products and provided financial planning services in the United Kingdom ("UK"). With effect from 12 January 2006, the Company was de-authorised with the Financial Services Authority and ceased providing insurance products and financial planning services. The company is to be wound up in the near future.

#### **Business Review**

The Company did not trade during the year. The business is monitored by performing monthly reviews ensuring a positive net asset position.

#### **Profits and appropriations**

The profit attributable to the shareholder for the year ended 30 September 2009 amounted to £36,000 (2008:£120,000).

No dividend was paid during the year to 30 September 2009 (2008:£Nil). The Directors do not recommend the payment of a final dividend on the ordinary shares in respect of this financial year.

#### **Directors and Directors' interests**

In terms of the Articles of Association of the Company, no directors are required to retire by rotation.

The current directors are shown on page 2.

None of the directors held shares in the Company or in any related UK company during the year. As the Company is a wholly owned subsidiary of National Australia Bank Limited ("NAB"), which is incorporated in Australia, any interest which the Directors may have in NAB does not need to be notified to the Company and thus is not disclosed in this report.

#### **Directors' liabilities**

During the year the NAB Group paid a premium for a contract insuring the directors and officers of NAB, its subsidiaries and controlled entities against personal liabilities which may arise in the course of the performance of their duties, as well as protecting the NAB Group itself to the extent that it is obligated to indemnify directors and officers for such liability.

#### **Charitable and political donations**

No charitable or political donations were made throughout the year (2008: £Nil)

#### **Corporate governance**

It is the Company's policy not to include all the disclosures in respect of voluntary corporate governance Codes of Practice as it is a wholly owned subsidiary of NAB. The NAB Group's 2009 Annual Financial Statements detail the Corporate Governance framework applicable to the Company. These disclosures are made after consideration of authoritative pronouncements on audit committees and associated disclosures in Australia, the USA and the UK.

#### **Elective regime**

In accordance with the provisions of the Companies Act 2006, as amended, the Company has elected to dispense with the laying of the Financial Statements before a general meeting, the holding of annual general meetings and the obligation to appoint Auditors annually.

## **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

### **Report of the Directors (continued)**

#### **Financial Risk Management**

Control is exercised through clearly defined delegation of authority, with clear and rapid communication and escalation channels throughout the organisation. The Company's risks are discussed in note 12 in the accounts.

#### **Directors' statement as to disclosure of information to auditors**

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each directors' knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware: and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

#### **Going Concern**

The directors believe that the company will be wound up in the near future. For this reason, they have adopted the break up basis in preparing the financial statements.

#### **On behalf of the Directors**



**Steve Reid**  
Director

**17 December 2009**

## **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Company Law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss for that financial year. In preparing those Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

### **Independent Auditors' Report to the members of Clydesdale Bank Insurance Brokers Limited**

We have audited the financial statements of Clydesdale Bank Insurance Brokers Limited for the year ended 30 September 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Shareholder's Equity, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gordon Coull (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh

29 January 2010

**CLYDESDALE BANK INSURANCE BROKERS LIMITED****Income Statement for the year ended 30 September 2009**

	Note	2009 £'000	2008 £'000
Other income	3	50	150
<b>Operating profit</b>		<u>50</u>	<u>150</u>
Interest receivable	4	-	17
<b>Profit on ordinary activities before tax</b>		<u>50</u>	<u>167</u>
Taxation expense	5	(14)	(47)
<b>Profit on ordinary activities after tax</b>		<u>36</u>	<u>120</u>

The Company has no recognised gains or losses other than those disclosed above. All items dealt with in arriving at the profit for the financial year for 2009 and 2008 relate to discontinued operations.



# CLYDESDALE BANK INSURANCE AND BROKERS LIMITED

Balance Sheet as at 30 September 2009

	Note	2009 £'000	2008 £'000
<b>Non-current assets</b>			
Deferred tax asset	6	-	-
<b>Current assets</b>			
Due from related entities	11	<u>3,508</u>	<u>3,587</u>
		<u>3,508</u>	<u>3,587</u>
<b>Total assets</b>		<u>3,508</u>	<u>3,587</u>
<b>Current liabilities</b>			
Provisions	7	-	(50)
Income Tax Payable		(5)	(70)
		<u>(5)</u>	<u>(120)</u>
<b>Net assets</b>		<u>3,503</u>	<u>3,467</u>
<b>Shareholder's equity</b>			
Called up share capital	8	4,325	4,325
Share premium	9	825	825
Retained earnings	10	<u>(1,647)</u>	<u>(1,683)</u>
<b>Total shareholder's equity</b>		<u>3,503</u>	<u>3,467</u>

These Financial Statements were approved by the Board of Directors on 17 December 2009 and were signed on its behalf:



Director

# CLYDESDALE BANK INSURANCE BROKERS LIMITED

## Cash Flow Statement for the year ended 30 September 2009

	Note	2009 £'000	2008 £'000
<b>Cash flows from operating activities</b>			
Operating Profit		50	150
<i>Adjustments for non-cash movements:</i>			
Release of Provisions	7	<u>(50)</u>	<u>(150)</u>
		-	-
<b>Changes in operating assets and liabilities</b>			
Net decrease/(increase) in amount due from related entities	11	<u>79</u>	<u>(3,587)</u>
<i>Net cash provided /(used) by operating activities before income tax</i>		<u>79</u>	<u>(3,587)</u>
Income tax paid		<u>(79)</u>	<u>(4)</u>
<b>Net cash used by operating activities</b>		<u>-</u>	<u>(3,591)</u>
<b>Cash flows from financing activities</b>			
Interest received from group companies	4	<u>-</u>	<u>17</u>
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>17</u>
<b>Net decrease in cash and cash equivalents</b>		-	(3,574)
Cash and cash equivalents at beginning of year		-	3,574
<b>Cash and cash equivalents at end of year</b>		<u>-</u>	<u>-</u>

**CLYDESDALE BANK INSURANCE BROKERS LIMITED****Statement of Changes in Shareholder's Equity for the year ended 30 September 2009**

	2009 £'000	2008 £'000
Retained Profit for the financial year	36	120
Opening Shareholder's Funds	3,467	3,347
Closing Shareholder's Funds	<u>3,503</u>	<u>3,467</u>

# **CLYDESDALE BANK INSURANCE BROKERS LIMITED**

## **Notes to the Financial Statements**

### **1. Authorisation of financial statements and statement of compliance with IFRS**

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the Companies Act 2006. The principal accounting policies adopted by the Company are set out in Note 2.

The financial statements of Clydesdale Bank Insurance Brokers Limited for the year ended 30 September 2009 were authorised for issue by the board of directors on 17 December 2009 and the balance sheet was signed on the board's behalf by Steve Reid.

Clydesdale Bank Insurance Brokers Limited is incorporated in the UK and registered in Scotland.

### **2. Accounting policies**

#### **Basis of preparation**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Assumptions made at each balance sheet date are based on best estimates at that date.

The directors believe that the company will be wound up in the near future. For this reason, they have adopted the break up basis in preparing the financial statements.

#### **Currency of presentation**

All amounts are expressed in pounds sterling and all values are rounded to the nearest thousand pounds unless otherwise stated.

#### **Interest Received**

Interest is recognised on an accruals basis.

#### **Provisions**

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as at the reporting date, taking into account the risks and uncertainties that surround the events and the circumstances that affect the provision.

#### **Income tax**

Income tax expense is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset or liability is not recognised if it arises from initial recognition of an asset or liability that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses.

#### **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise balances within three months maturity from the date of inception.

# CLYDESDALE BANK INSURANCE BROKERS LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### Accounting developments

During the year the International Accounting Standards Board and International Financial Reporting Interpretations Committee issued the following standards and interpretations with an effective date after the date of these Financial Statements:

<i>International Accounting Standards (IAS/IFRS)</i>		<i>Effective Date: Annual periods beginning on or after</i>
Various	Improvements to IFRS (Issued 22 May 2008)	Various, earliest is 1 January 2009
Various	Improvements to IFRS (Issued 16 April 2009) (i)	Various, earliest is 1 July 2009
IFRS 1	Amendments - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
IFRS 1	Amendment - Additional Exemptions for First-time Adopters (i)	1 January 2009
IFRS 1	Revised - First Time Adoption of IFRS (i)	1 July 2009
IFRS 2	Amendment - Vesting Conditions and Cancellations (i)	1 January 2009
IFRS 2	Amendment - Group Cash-settled Share-based Payment Transactions (i)	1 January 2010
IFRS 3	Revised - Business Combinations	1 July 2009
IFRS 8	Operating Segments	1 January 2009
IFRS 9	Financial Instruments (i)	
IAS 1	Revised - Presentation of Financial Statements	1 January 2009
IAS 1	Amendment - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IAS 23	Revised - Borrowing costs	1 January 2009
IAS 24	Revised - Related Party Disclosures (i)	1 January 2011
IAS 27	Amendment - Consolidated and Separate Financial Statements	1 July 2009
IAS 27	Amendments - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
IAS 32	Amendment - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IAS 32	Classification of Rights Issues (i)	1 February 2010
IAS 39	Amendment - Eligible Hedged Items	1 July 2009
IAS 39	Amendment - Embedded Derivatives	30 June 2009
<i>International Financial Reporting Interpretations Committee (IFRIC)</i>		
IFRIC 9	Amendment - Embedded Derivatives (i)	30 June 2009
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 17	Distributions of Non-Cash Assets to Owners (i)	1 July 2009
IFRIC 18	Transfer of Assets from Customers (i)	1 July 2009

(i) This standard/interpretation has not yet been adopted by the European Union.

The Company has not early adopted these standards and interpretations. The Directors do not anticipate any material impacts as a result of adoption of these standards and interpretations.

### 3. Administrative income

Administrative income includes:-	2009 £'000	2008 £'000
Business Provision release - (Note 7)	-	150

**CLYDESDALE BANK INSURANCE BROKERS LIMITED**  
**Notes to the Financial Statements (continued)**

**4. Interest receivable**

	2009 £'000	2008 £'000
Interest receivable - group companies (Note 11)	-	17

**5. Tax on profit on ordinary activities**

**a) Analysis of charge in period**

	2009 £'000	2008 £'000
The charge for taxation comprises:		

**Current tax**

United Kingdom corporation tax	14	48
Adjustments in respect of prior years	-	(8)
Total current tax	14	40

**Deferred tax (Note 6)**

Origination and reversal of temporary differences		
- prior year	-	7
Total deferred tax	-	7

**Tax on profit on ordinary activities**

	14	47
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**b) Factors affecting tax charge for the period**

The tax assessed for the period differs from the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	50	167
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 29%)	14	48
Effects of:		
Adjustments to tax charge in respect of previous periods		(1)
Total tax charge for period	14	47

**6. Deferred taxation**

	2009 £'000	2008 £'000
<b>Deferred tax asset</b>		
Opening balance	-	7
Tax expense recognised in income statement	-	(7)
Closing balance	-	-

**CLYDESDALE BANK INSURANCE BROKERS LIMITED**  
**Notes to the Financial Statements (continued)**

**7. Provisions**

	<b>2009</b>	<b>2008</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Opening balance	<b>50</b>	<b>200</b>
Release during year	<b>(50)</b>	<b>(150)</b>
Closing balance	<b>-</b>	<b>50</b>

Provisions were in respect of non-lending losses, litigation or complaints.

**8. Share capital**

<b>Authorised</b>	<b>Number</b>	<b>£'000</b>
Ordinary shares of £1 each		
At 30 September 2009 and 2008	<b>4,500,000</b>	<b>4,500</b>

<b>Allotted, called up and fully paid:</b>	<b>Number</b>	<b>£'000</b>
Ordinary shares of £1 each		
At 30 September 2009 and 2008	<b>4,325,000</b>	<b>4,325</b>

The shares are wholly owned by National Europe Holdings (Wealth Management) Limited which is incorporated in the UK and registered in England & Wales.

**9. Share premium**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
At 30 September	<b>825</b>	<b>825</b>

**10. Retained earnings**

	<b>£'000</b>
At 1 October 2008	<b>(1,683)</b>
Profit for the year	<b>36</b>
At 30 September 2009	<b>(1,647)</b>

## CLYDESDALE BANK INSURANCE BROKERS LIMITED

### Notes to the Financial Statements (continued)

#### 11. Related party transactions

The ultimate parent undertaking, and ultimate controlling party is NAB, a company incorporated in the State of Victoria, Australia. This company also heads the largest group in which the results of the Company are consolidated. The smallest group in which the results of the Company are consolidated is that headed by National Wealth Management Europe Holdings Limited (NWMEH) which is incorporated in the UK and registered in England & Wales.

Copies of the Group Financial Statements prepared in respect of NWMEH may be obtained from the Company Secretary, National Wealth Management Europe Holdings Limited, 88 Wood Street, London, EC2V 7QQ. Copies of the Group Financial Statements prepared in respect of NAB can be obtained from National Australia Bank Limited, 88 Wood Street, London, EC2V 7QQ.

The Company receives a range of services from the parent and related parties, including loans and various administration services.

#### Amounts due from related entities

	2009 £'000	2008 £'000
<i>Trade and other receivables</i>		
Controlled entities of the ultimate parent	<u>3,508</u>	<u>3,587</u>
	3,508	3,587
<i>Cash at bank</i>		
Controlled entities of the ultimate parent	<u>-</u>	<u>-</u>
	3,508	3,587

#### Transactions with related entities

##### Interest receivable

Controlled entities of the ultimate parent	<u>-</u>	<u>17</u>
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#### Transactions with directors, key management and their close family members

There were no amounts outstanding at 30 September 2009 under transactions, arrangements and agreements with the company from directors, key management and their close family members during the year. Amounts outstanding under transactions, arrangements and agreements with credit institutions within the NAB Group for directors are disclosed in the consolidated Financial Statements of NAB, which are publicly available.

#### Other related party transactions

In the normal course of business the Company maintains accounts and conducts transactions with other members of the NAB Group. This business is conducted at prevailing market rates and terms and includes the provision of technology and other services.

The Company is not a sponsoring employer of any defined benefit schemes.

#### Directors' remuneration

The Directors' were remunerated by other companies within the National Australia Bank Group in the United Kingdom and no charge is made to the Company directly as their services are not significant. In any event it is not possible to accurately allocate the Directors' remuneration between Group companies.

#### 12. Financial risk management

The Company did not trade during the year and was de-authorised from the FSA in January 2006. Based on these facts the Company is not exposed to interest, credit, market and liquidity risks.